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RULES OF THE SICK BENEFIT FUND

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1. DEFINITIONS

All expressions used in these Rules which are defined in the Labour Relations Act, 1995, shall have the same meaning as in that Act; and unless the contrary intention is indicated, words importing the masculine shall include the feminine. Further, unless inconsistent with the context -

“*Agreement*” means the Sick Benefit Fund Agreement of the Leather Industry of South Africa.

“*All-in-consultation fee*” is the amount determined by the Management Committee from time to time to be paid to a Panel Doctor in respect of primary medical treatment of Members.

“*Chronic ailments*” mean the following and any other ailment designated as such by the Management Committee from time to time:

- (a) Arthritis & Gout
- (b) COAD, Asthma, Emphysema, Chronic Bronchitis
- (c) Diabetes
- (d) Eczema, Chronic Dermatitis
- (e) Epilepsy
- (f) Angina, IHD, Heart failure
- (g) Hypertension
- (h) Menopause
- (i) Psoriasis
- (j) Allergic Rhinitis/Sinusitis
- (k) Hypothyroidism

“*Council*” means the National Bargaining Council for the Leather Industry of South Africa.

“*Dependant*” means the legal spouse or child of a Member, and includes ethnic, tribal, Common-law spouse or same sex partnership; and a legally adopted stepchild. For purposes of this definition, the age limit of a child will be 18 years, except a child attending full-time tertiary education in which case, the age limit is 23 years; or a medically impaired child, dependent on another for his daily needs in which case eligibility will be for the duration of his impairment. The impairment contemplated herein has to be certified by a registered medical practitioner, the cost of which shall be for the account of the Principal Member.

“*Essential Drug List*” means a list of drugs as determined from time to time by the Management Committee.

“*Fund*” means the Sick Benefit Fund of the Leather Industry of South Africa.

“*Health Care Centre*” means a clinic administered by the Leather Industry Sick Benefit Fund.

“*Management Committee*” means the Committee appointed in terms of the Agreement for the purpose of administering the Fund.

“*Member*” means a Leather Industry employee who is a Member in terms of clause 4 of these Rules.

“*Normal week*” means the maximum period within the working week of the establishment which an Employee may work without becoming entitled to payment for overtime.

“*Retired Member*” means a Member who leaves the industry having either reached the age of 60 or who is declared incapacitated in terms of the Leather Industry Provident Fund Rules.

“*Secretary*” means the General Secretary of the Council.

“*Wage*” means the Rate prescribed for an Employee in Column A of the wage provisions of the relevant Agreement of the Council and, in the case of the Tanning industry, the Rate prescribed in the Agreement for that industry.

Provided that if an Employer regularly pays the Employee an amount higher than this prescribed rate (excluding incentives, overtime or bonus payments), it shall mean such higher amount.

2. STATUS OF THESE RULES AND AMENDMENTS

- (1) These Rules shall apply to and bind all Members, Employers, Health Care Centre Staff and Panel Doctors.
- (2) These Rules may be amended from time to time by the Management Committee.

- (3) Members, Employers and Panel Doctors may from time to time be issued with practice notes and/or directives by the Management Committee on matters pertaining to the Fund and these will be deemed part of the Rules.

3. ADMINISTRATION OF THE FUND

3.1 The Management Committee

- (1) The Fund shall be under the control of a Management Committee which shall comprise of an equal number of representatives appointed from the Employer and Employee parties to the Agreement in terms of the Council's constitution.
- (2) The Management Committee shall have the power to issue, amend and replace Rules, practice notes and directives relating to the Fund. The Rules, practice notes and directives shall form an integral part of the framework for the regulation of benefits and related matters.
- (3) Where the Management Committee is unable to perform its functions, this will be done by the Council. However should the Council be dissolved or cease to function, the Fund shall be administered as provided for in clause 9.

3.2 Other Committees

The Council may establish further committees in terms of its constitution to assist with the administration and deal with any matters relating to the Fund. Such committees shall function on such terms as the Council may determine from time to time.

3.3 Agents

The Council may appoint agents to assist in giving effect to the Agreement and Rules. An Employer must give these agents access to his establishment and permit them to examine all such documents, books, wage records, pay envelopes and to question such individuals as may be required to establish whether the Agreement is complied with.

4. MEMBERSHIP OF THE FUND

- (1) Subject to any exemption in terms of the Agreement or decision of the Management Committee, all Employees whose wages are prescribed in any Agreement of the Council shall become Members of the Fund.
- (2) Where an Employee whose wages are prescribed by a Council Agreement is transferred or promoted to an occupation for which wages are not prescribed, he may elect to remain a Member of the Fund provided that:
 - (a) he has previously been a Member and has contributed to the Fund for not less than 5 consecutive years; and
 - (b) his Employer consents thereto.
- (3) Employees in the Industry whose wages are not prescribed by any Council Agreement may apply, with the consent of their Employer, to be admitted to the Fund on such conditions as the Management Committee of the Fund may determine.
- (4) The Dependants of a Member may be permitted to the Fund as Members and must be identified as Dependants on an identification card.
- (5) Membership ceases when a Member stops contributing (Principal and Dependant). Except as provided in clause 4(6), a Member whose services in the Industry terminate, immediately ceases to be entitled to any benefits.
- (6) Retired Members may continue Membership with the Fund subject to the terms and conditions set out herein.

5. IDENTIFICATION CARDS

- (1) Every Member of the Fund will be issued with an identification card identifying him as an Employee, Retired, Chronic or Dependant.
- (2) The Employer must regularly endorse the identification card of every Employee who is a Member of the Fund to indicate that the Member is still contributing to the Fund and is entitled to Benefits.

6. CONTRIBUTIONS

6.1 Employees

- (1) All Members of the Fund must contribute 1% of their basic wage rate to the Fund. An Employer must deduct this amount from an Employee's wage on every pay-day. Where a Member has a Dependant/s on the Fund, an additional 1% of the Member's basic wage rate must be deducted by the Employer for each Dependant.
- (2) For purposes of this clause, the term "*basic wage rate*" shall mean the rate in Column A of the Council Agreements which provide for an A-rate. For other Employees it shall mean the actual rate earned during a normal week but shall exclude extra income such as overtime and incentive payments.

6.2 Employers

- (1) An Employer must pay an amount equal to the amount deducted from his Employees in terms of sub clause 6.1(1), as well as a levy of 0,3% of the basic wage rate of each Member. This levy shall be for funding the Maternity Leave Benefit.
- (2) The Employer must for the duration of the Maternity Leave, pay Contributions falling due during this period, for the Employer as well as the Employee. These Contributions must be calculated on the wage rate applicable at the date Maternity Leave commences.
- (3) An Employer must pay the total amount deducted in terms of sub clause 6.2(1) and (2) and due in terms of sub clause 6.3, to the Fund (at P.O. Box 3959, NORTH END, 6056) on a monthly basis not later than the 15th of the following month.

6.3 Interest

Late payment of the amount due in terms of sub clause 6.2(3) shall subject to the discretion of the Management Committee, attract interest calculated from the first day of the month on which payment became due to the date payment is received. The rate of interest shall be 1.8% per month or any other rate determined by the Management Committee from time to time.

7. BENEFITS

7.1 Maternity Benefit

- (1) Female Members of the Fund proceeding on maternity leave shall be entitled to maternity pay equal to 33% of their basic wage rate for a maximum period of 17 weeks.
- (2) The Employee must submit a medical certificate to the Employer indicating the expected date of confinement.
- (3) The Employer will pay the Member the Maternity benefit and claim a refund from the Sick Fund. The benefit paid and claimed shall be calculated on the actual wage earned. Wage shall have a corresponding meaning as defined in the Sick Fund Collective Agreement.
- (4) The Employer is required to pay the Member the Maternity Benefit at commencement of the leave period and claim a refund from the Sick Fund. The claim must be accompanied by proof of the expected date of confinement contemplated in sub clause 7.1 (2) above and the Member's receipt of the benefit to be submitted by no later than the 7th of the following month. In the event of the Employee returning to work before expiry of the confinement period contemplated in 7.1 (1), the Member shall in this event refund the Fund through the Employer that portion of the Maternity Benefit that relates to the earlier return to work.
- (5) An Employee on Maternity leave is not entitled to any medical benefits related to her pregnancy or confinement.

7.2 Medical Benefits

- (1) The Management Committee may determine from time to time the medical benefits available to Members.
- (2) Dependants who have been admitted to the Fund shall be entitled to all the medical benefits of a Principal Member.
- (3) The Management Committee may establish such facilities and appoint such persons as is considered necessary to provide these Benefits to Members.

- (4) Retrenched Employees who at the date of their retrenchment have not exhausted the benefits contemplated in Sub Clause 7.2 shall without charge continue to have access to the balance of their benefits until same is exhausted or until the expiry of an eight-week period calculated from the date of retrenchment, whichever event occurs first.

7.2.1 Panel Doctors

- (1) The Management Committee may appoint doctors to a panel for the purpose of providing medical benefits to Members. Only doctors appointed in terms of these Rules are entitled to claim the prescribed Consultation fees from the Fund for servicing its Members.
- (2) Members who consult a Panel Doctor are limited to 6 Initial and 6 Repeat Consultations per year. A Member who is a registered Chronic will be entitled to twelve Chronic Consultations per year.
- (3) Panel Doctors will be paid by the Fund for servicing Members subject to the limitations as set out in sub clause (2) of this clause. The all-in-consultation fee will be determined by the Management Committee from time to time and shall be inclusive of the cost of the Consultations as well as the cost of any medication dispensed.
- (4) Members are entitled to primary health care within the limits of the all-in-consultation fee. This may include medication and injections, but excludes the medical attention and specialized treatment listed in sub clause 7.2.5. Members shall be liable for all costs not provided for herein.
- (5) Panel Doctors must treat Chronic Members in terms of sub clause 7.2.6. The doctor will be paid a Consultation fee determined by the Management Committee from time to time in respect of each Chronic Member.
- (6) A Panel Doctor will for the treatment of Retired Members, be paid a Consultation fee determined by the Management Committee from time to time.
- (7) In the event of a Member requiring special treatment and/or medication, the Panel Doctor should motivate the need and the cost thereof. The Management Committee may, in its sole discretion, refund such Member a part or all of such cost.

- (8) Where the Management Committee has determined a co-payment applicable to any Members, such Members are liable to the doctor for this cost.

7.2.2 Health Care Centres

- (1) The Fund operates several Health Care Centres.
- (2) The Health Care Centres shall provide medical benefits to Members within the limitations and conditions prescribed by the Management Committee from time to time.
- (3) Members are limited to 12 Consultations per year, except where the Member is a registered Chronic in which case such Member is entitled to Chronic Consultations as provided for herein.

7.2.3 Retired Members

- (1) Members who retired from the Industry before 28 October 2015 are entitled to the Benefit contemplated herein. Members who retire from the Industry after 28 October 2015 will only qualify for the Benefit contemplated herein if they had completed three consecutive years of Sick Fund Membership in the Industry before doing so.
- (2) Retired Members shall be entitled to the following Benefits:
 - A maximum of 12 Consultations a year (January to December) pro-rated relative to the month in which the Retired Benefits commence in terms of these Rules.
- (3) Benefits are allocated to Retired Members based on their cumulative years of Sick Fund Membership determined as follows:
 - Longer than 10 years will entitle the Member to Benefits for 15 years from commencement of the date that Retired Benefits are first allocated.
 - Longer than 5 years will entitle the Member to Benefits for 10 years from commencement of allocation.

- Longer than 3 years will entitle the Member to Benefits for 5 years from commencement of allocation.

 - The above limitations do not apply to Employees who retired before 1 January 2014.
- (4) Panel Doctor Consultations shall be paid at half the rate of the Initial Consultation tariff determined by the Management Committee from time to time in terms of sub clause 7.2.3. In the event of a Panel Doctor charging a higher tariff, the Retired Member shall in this event be responsible for the balance.

 - (5) Retired Members attending the Health Care Centres will be liable for a Consultation Levy determined by the Management Committee from time to time.

 - (6) In the event of the Retired Member being re-engaged in the Industry Benefits will be suspended for the duration of his re-engagement. On termination of service the balance of the Retirement Benefits will become available.

7.2.4 Direct claims

- (1) The Management Committee may from time to time determine that Members receive a refund for certain medical costs not covered by the prescribed Benefits of the Fund. Such refund shall be entirely at the discretion of the Management Committee.

- (2) Where due to an emergency a Member is forced to consult a non-panel practitioner the Fund may refund the Member such amount and subject to any conditions and/or limitations that the Management Committee may determine from time to time. The practitioner must certify in writing that the visit was an emergency.

- (3) The Fund will subject to the terms and conditions determined by the Management Committee from time to time refund a Member a portion of the costs for expenses incurred in connection with:
 - (a) Hospital fees

- (b) Specialist fees
 - (c) X-rays
 - (d) Medical tests
 - (e) Minor operations done by a general practitioner
 - (f) Chiropractor fees
 - (g) Physiotherapist, Chiropodist and Podiatrist (only with prior referral by the Fund Panel Doctor or Health Care Centre) not to exceed current Panel Doctor Tariffs.
- (4) Claims submitted in terms of clause (3) must be submitted on the prescribed form.

7.2.5 General Exclusions

The following are not covered by the Fund:

- a) Dental consultations and procedures;
- b) Diet Medication;
- c) Fertility treatment;
- d) I.O.D and M.V.A cases.
- e) Maternity/Confinement (except where illness is unrelated to confinement);
- f) Medicine prescriptions;
- g) Optometrist consultations, Spectacles, Lenses, etc;
- h) Orthopedic equipment;
- i) Preventative medication such as vaccinations;
- j) Sterilization;
- k) Treatment for Tuberculosis;
- l) Vitamins;

7.2.6 Chronic ailments

- (1) Members of the Fund who suffer Chronic ailments must register with the Fund as a Chronic Member and be identified as such on his identification card.
- (2) The referral of a Member for registration as a Chronic must be done on the prescribed form as provided by the Fund.
- (3) Where a Member has not been registered as a Chronic, he must be referred to a Health Care Centre for treatment or where no such facility exists, to a specialist or state hospital.

- (4) The costs of a referral to a specialist in terms of sub clause (3) will only be paid by the Fund, where there is no Health Care Centre.
- (5) Where Health Care Centres of the Fund exist, Chronic Members may only attend such Health Care Centres. Accordingly the Fund will not be liable for the cost of treatment by a Panel Doctor.
- (6) In certain cases, Chronic Members may be referred by the consulting Doctor to a Provincial Hospital for treatment.
- (7) Where a Chronic Member is treated by a Panel Doctor, and there is no accessible Health Care Centre, the Panel Doctor may, in respect of such treatment, only issue the Member with medication from the Essential Drug List.
- (8) Medication issued to registered Chronic Members in terms of these Rules does not form part of the all-in-consultation fee. The Fund will only pay the Panel Doctor for medication to the extent determined by the Management Committee from time to time.
- (9) Subject to certain conditions and limitations, a Chronic Member may be paid for:
 - (a) Wages lost as a result of a monthly visit to:
 - A registered hospital (ordinary hours that would have been worked to a maximum of one day); or
 - A Health Care Centre (max 3 hours).

Provided that such visit is in respect of an ailment which has been approved by the Fund as a Chronic Ailment.

A Member is not entitled to payment for the Wages Lost benefit:

- During any period of annual leave;
- During any period he was not working due to short time;
- During a public holiday per the Public Holiday Act; or
- During any other period of authorized leave of absence.

The Employer will pay the Member the Wages Lost benefit and claim a refund from the Sick Fund. The benefit paid and claimed shall be calculated on the

actual wage earned. Wage shall have a corresponding meaning as defined in the Sick Fund Collective Agreement. The claim must be accompanied by proof of the Member's receipt of the Benefit and be submitted no later than the 7th of the next month.

An original Certificate of Attendance (officially stamped) must be attached to the claim form in order for the claim to be paid.

- In all cases the ailment must be:
 - Entered on the Claim Form and
 - One of the approved Chronic ailments in terms of the Definitions clause (1).

- (b) A Chronic Member may be paid for the cost of a hospital visit referred to in sub clause (9) (a).

In this regard the Member must submit a claim on the prescribed form (Direct Claim). The claim must include an Outpatient's Receipt with a copy of the Visitor's Card reflecting the Member's patient file number.

7.3 PAYMENT FOR TIME LOST

Subject to certain conditions and limitations a Member shall be paid for wages lost up to a maximum of a day's wage arising from the annual visit to a registered hospital for purposes of Tuberculosis detection by X-Ray.

A Member is not entitled to payment for this Wages Lost benefit:

- During any period of annual leave;
- During any period he was not working due to short time;
- During a public holiday per the Public Holiday Act; or
- During any other period of authorized leave of absence.

The Employer will pay the Member the Wages Lost benefit and claim a refund from the Sick Fund. The benefit paid and claimed shall be calculated on the actual wage earned. Wage shall have a corresponding meaning as defined in the Sick Fund Collective Agreement. The claim must be accompanied by proof of the Member's receipt of the Benefit and be submitted no later than the 7th of the next month.

An original Certificate of Attendance (officially stamped) must be attached to the claim form in order for the claim to be paid.

8. FINANCIAL MATTERS

- (1) The Fund shall be funded by:
 - (a) Money standing to its credit on the date of coming into operation of the Agreement;
 - (b) Contributions paid to the Fund in accordance with the Agreement;
 - (c) Interest derived from the investment of any Fund money and
 - (d) Any other money to which the Fund may become entitled.
- (2) All money paid to the Fund shall be deposited in a dedicated account to be held in the name of the Fund at a bank approved by the Council.
- (3) All expenses incurred in the administration of the Fund shall be a charge upon the Fund.
- (4) Payments made by cheque on the Fund's account shall be signed by two persons appointed by the Management Committee for that purpose.
- (5) Payment of benefits shall cease whenever the amount standing to the credit of the Fund in its bank account falls below an amount determined by the Management Committee from time to time. Payments shall recommence only when the amount standing to the credit of the Fund has risen above the amount determined by the Management Committee from time to time. The Secretary shall advise Employers immediately of either event occurring.
- (6) The Secretary shall prepare an annual statement of income and expenditure for the Fund as soon as possible after 31 December. Such statement shall be submitted for audit by an auditor appointed by the Council. The audited statements shall be submitted to the Council for approval and shall also be made available for inspection by Members at the Council offices.

9. EXPIRY OF THE AGREEMENT OR DISSOLUTION OF THE COUNCIL

- (1) In the event of the Agreement or any extension thereof expiring, the Management Committee shall continue to administer the Fund until the Agreement is renewed, until the Fund is liquidated or transferred by the Council to another Fund constituted for the same purpose as the Fund as the case may be.
- (2) Where the Agreement is not renewed or the Fund is not transferred within 18 months of the expiry of the Agreement, the Fund must be liquidated according to the procedure as set out in Clause 10.
- (3) In the event of the Council being dissolved or ceases to function during the currency of the Agreement, the Management Committee or such other person as the Registrar of Labour Relations may designate, shall continue to administer the Fund.
- (4) The Members of the Management Committee who were Members at the time that the Council ceases to function or was dissolved as the case may be, shall constitute the Management Committee for the purpose of this clause.
- (5) Any vacancy on the Committee at that time may be filled by the Registrar of Labour Relations by the appointment of Employers and Employees from the Industry based on equal number of Employer and Employee representatives.
- (6) Should the committee be unable or unwilling to fulfill their duties or a deadlock occur which in the opinion of the Registrar makes administration of the Fund impractical or undesirable the Registrar may appoint a trustee or trustees to carry out the functions of the committee.
- (7) The trustee(s) will have the same powers of the committee for this purpose.
- (8) Should the Council, on expiry of the Agreement no longer exist, the Fund shall be liquidated according to clause 10. If at the date of expiry of the Agreement the Council has already been wound up and its assets distributed, the assets of the Fund shall be distributed as provided for in the Council's constitution as if they formed part of the general assets of the Council.

10. LIQUIDATION OF THE FUND

- (1) Should the Council wish to dissolve the Fund it shall convene a Special General meeting for this purpose. A decision of this meeting to dissolve the Fund shall only

be carried if not less than two thirds of the Employer representatives and two thirds of the Employee representatives' present vote in favour of dissolution.

- (2) Should the required vote be attained, the meeting shall thereafter appoint a liquidator who shall liquidate the Fund in accordance with this Rule.
- (3) In the event of the meeting being unable to agree to the appointment of a liquidator the matter shall be referred to the Registrar of Labour Relations who shall appoint a liquidator.
- (4) After liquidation of the Fund, the money remaining to the credit of the Fund after payment of all claims against the Fund, including administration and liquidation expenses shall be paid into the account of the Council. In the event that the Council no longer exists, the money shall be distributed in terms of the Council's constitution as if it formed part of the general funds of the Council.